

Message Text

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53

ACTION EB-07

INFO OCT-01 EUR-12 EA-07 IO-13 ISO-00 FTC-01 OIC-02 FEA-01

AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-02

INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 /116 W

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P R 011136Z SEP 76

FM AMEMBASSY PARIS

TO SECSTATE WASHDC PRIORITY 4514

INFO AMEMBASSY BERN

AMEMBASSY BONN

USMISSION EC BRUSSELS

USMISSION GENEVA

USDEL MTN GENEVA

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: ETRD, FR

SUBJECT: USITC INVESTIGATION INTO POSSIBLE UNFAIR

COMPETITION IN THE IMPORTATION AND SALE OF TV RECEIVERS

FROM JAPAN

REF: (A) STATE 206627, (B) STATE 206625

1. EMBOFF MET WITH OFFICIAL OF MINISTRY OF INDUSTRY
AND RESEARCH TO DISCUSS IMPORTATION INTO FRANCE OF TV
RECEIVERS FROM JAPAN. FOLLOWING POINTS EMERGED FROM
CONVERSATION:

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A. A BILATERAL AGREEMENT NEGOTIATED ANNUALLY BETWEEN FRANCE AND JAPAN ESTABLISHES QUOTAS FOR FRENCH IMPORTS OF JAPANESE TV'S.

B. BECAUSE FRANCE HAS UNIQUE 819-LINE RECEPTION ON FIRST CHANNEL, FOREIGN MANUFACTURERS NEED TO PRODUCE SPECIALLY MODIFIED MODEL FOR SALE IN FRANCE. THUS IMPORTS INTO FRANCE FROM ALL SOURCES REPRESENTED ONLY 16 PER CENT OF APPARENT CONSUMPTION IN 1975 (13 PER CENT IN 1974). APPARENT CONSUMPTION WAS 1,690,602 RECEIVERS IN 1975, 1,615,885 IN 1974.

C. JAPANESE MANUFACTURERS, BECAUSE OF TECHNICAL AND QUOTA IMPEDIMENTS, HAVE MADE LITTLE EFFORT TO PENE- TRATE THE FRENCH MARKET. IMPORTS FROM JAPAN ACCOUNTED FOR ONLY 2.5 PER CENT OF APPARENT CONSUMPTION IN 1975 (2 PER CENT IN 1974). JAPAN EXPORTED TO FRANCE ONLY 48,463 RECEIVERS IN 1975, FALLING CONSIDERABLY SHORT OF AUTHORIZED QUOTA LEVEL OF 88,000.

D. PRICES OF JAPANESE TV SETS SOLD IN FRANCE VARY ONLY SLIGHTLY FROM PRICES OF OTHER IMPORTS AND FRENCH- PRODUCED RECEIVERS BECAUSE OF HIGH TRANSPORTATION COSTS, CUSTOMS DUTIES, AND FACT THAT FRENCH DISTRIBU- TORS WORK ON HIGH PROFIT MARGINS SINCE LOW PRICE/HIGH VOLUME APPROACH NOT POSSIBLE BECAUSE OF QUOTA CONSTRAINT.

E. JAPANESE HAVE ESTABLISHED VERY LIMITED AFTER SALES SERVICE FACILITIES AND THESE ARE LIMITED EXCLUSIVELY TO PARIS AREA.

2. WE NOTE PER PARA 1 REFTEL B THAT PRELIMINARY INVESTIGATION IS TO DETERMINE WHETHER "...THERE MAY EXIST UNFAIR METHODS OF COMPETITION AND UNFAIR ACTS INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:...(4) A SYSTEMATIC EFFORT TO IMPORT...OR IN OTHER FOREIGN COUNTRIES TO WHICH JAPAN COMMONLY EXPORTS." IN VIEW OF THE FACTORS NOTED IN PARA 1 ABOVE, IT IS OUR VIEW THAT JAPAN DOES NOT "COMMONLY" EXPORT TO FRANCE: LIMITED OFFICIAL USE

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THERE ARE TOO MANY ABERRATIONS IN THE JAPAN-FRANCE TRADING ARRANGEMENT TO PERMIT MEANINGFUL COMPARISON WITH THE SITUATION WHICH PERTAINS IN JAPAN-U.S. TRADE IN TV RECEIVERS. WHILE WE WILL CERTAINLY PROVIDE THE INFORMATION REQUESTED IN PARA 4 OF REFTEL A AND RECOGNIZE THAT THE PRELIMINARY INVESTIGATION IS "NOT LIMITED TO" THE METHODS AND ACTS SET FORTH IN PARA 1 REFTEL B, WE QUESTION WHETHER A VISIT BY

THE USITC STAFF MEMBERS TO FRANCE IS WARRANTED
UNDER THESE CIRCUMSTANCES. IF USITC DECIDES TO
CANCEL VISIT, DATA REQUESTED IN PARA 4 REFTEL A
WILL BE AIRPOUCHED.
RUSH

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